Tom Horne
Superintendent of
Public Instruction

MEMORANDUM

December 3, 2004
CN- -04, CACFP-CN# 07-05

TO: All Non-Profit Sponsoring Organizations

FROM: Carol Foxhoven
            Health & Nutrition Services Division

SUBJECT: Audit Evaluation Form

The Arizona Department of Education (ADE) is required to determine which sub-grantees of federal funds are subject to federal audit requirements.

The U.S. Office of Management and Budget (OMB) Circular A-133 requires that all institutions of higher education and other nonprofit organizations that expend $500,000 or more in federal financial assistance during any fiscal year have an independent audit. Federal financial assistance includes awards, grants, contracts, loans, guarantees, direct appropriations, or non-cash assistance received directly from federal agencies or departments or "passed through" state or local governments or another nonprofit organization.

Since funds from all federal sources must be considered, the enclosed evaluation has been developed to assist in the determination of the audit requirements for your organization. **Please complete and return the attached evaluation form (attached) to the ADE Audit Resolution Unit by December 15, 2004.**

For those organizations that have expended $500,000 or more in federal funds as recorded on Page 2 of the evaluation, and it is determined that your organization meets the Circular A-133 audit requirements, a copy of your FY2003 audit must be sent to ADE Audit Resolution. Please note that if you have received a FY2003 A-133 audit, a copy of that report may be sent to Audit Resolution in lieu of completing the evaluation.

If you have received federal funds from sources other than ADE and have questions about your organization's audit obligations under Circular A-133, you may wish to contact the grantor of those federal funds or your independent auditor.

For assistance in completing the required evaluation, please contact the Audit Resolution office at (602) 542-4271.

Thank you for your prompt assistance in completing and returning this evaluation.